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WEALTH MANAGEMENT

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2024 Ends With A Whimper, But It's Hard To Complain (and 2025 Outlook Summary)

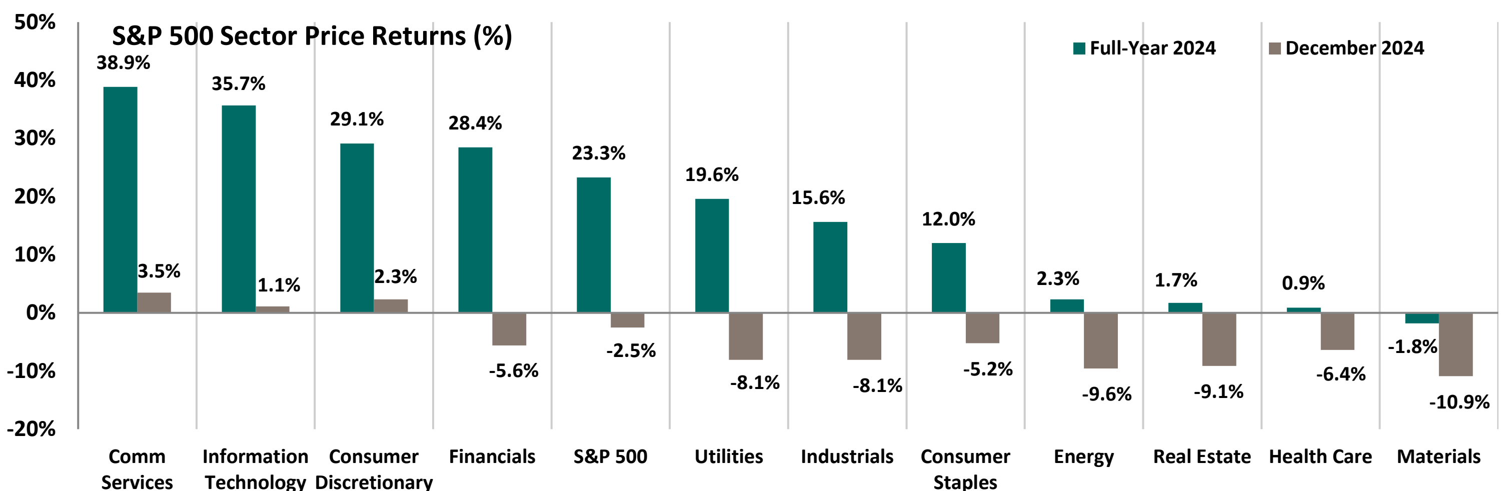
Major Equity Indices (total return)	Value (12/31/24)	2024 Full Year	December 2024 1 Month	4Q24 3 Months	2023 Full Year
NASDAQ Composite	19,310.79	29.6%	0.6%	6.4%	44.6%
S&P 500	5,881.63	25.0%	-2.4%	2.4%	26.3%
Dow Jones Industrial Average	42,544.22	15.0%	-5.1%	0.6%	16.2%
Russell 1000 Value	5,881.63	14.4%	-6.8%	-2.0%	11.5%
S&P Equal Weight	7,100.83	13.0%	-6.3%	-1.9%	13.9%
Russell 2000	2,230.16	11.5%	-8.3%	0.3%	16.9%

Data Source: FactSet as of 12/31/24. Total return (includes dividends). Calculations use closing prices. 2024 is 12/31/23 to 12/31/24. December 2024 is 11/30/24 to 12/31/24, and 4Q24, is the fourth quarter, 9/30/24 to 12/31/24.

U.S. equity markets traded lower to end the year as post-election November gains faded, but full-year 2024 returns remained solidly positive with leadership from both the Nasdaq Composite and S&P 500 indices. After strong November equity performance (including the S&P 500's best monthly gain of the year), many traders expected the rally to continue in December. After the U.S. economy grew +3.1% (gross domestic product, or GDP) in the third quarter (3Q24), economic trends remained solid in 4Q24, and investor takeaways from the November election results focused on President-elect Trump's promises of a pro-growth and market-friendly agenda. However, equities struggled in December as most stocks declined and even hopes for a late-month Santa Claus rally did not materialize. While the technology- and growth-centric Nasdaq Composite index did post a small December gain (+0.6% including dividends), the S&P 500 dropped -2.4%, the Equal Weight S&P 500 (which, in our view, represents the performance of the "average" large-company stock) decreased -6.3%, and the small-company Russell 2000 declined -8.3%. We attribute December weakness to a few factors including a surge in interest rates (the U.S. 10-year Treasury yield was 4.57% on 12/31, up from 4.17% on 11/30), profit-taking after a strong year, and policy uncertainty as we approach Trump's inauguration in late January.

Despite year-end weakness, both the Nasdaq Composite and S&P 500 posted gains in the quarter (4Q24), and major equity indices delivered strong full-year total returns. The S&P 500 2024 total return was +25.0% and the index posted gains in all four quarters for the first time since 2021. Following 2023's total return of +26.3%, the S&P 500 generated two consecutive years of a total return above +25.0% for the first time since 1997 and 1998. Full-year gains were made with relatively low volatility, and the year's largest peak-to-trough decline (over three weeks from 7/16/24 to 8/5/24) was just -8.5%. This was less than 2023's largest pullback of -10.3% (that decline took three months), marking two consecutive years of lower-than-average volatility (since 1980, the average market pullback in any calendar year exceeded -14%). U.S. 2024 GDP growth is on pace to increase +2.7% (4Q24 GDP will not be reported until late January), well above the +1.2% consensus estimate to start the year. The headline consumer price index (CPI, consumer inflation) was +2.7% in November 2024 compared to +3.4% in December 2023, indicating progress on inflation, but the trend lower slowed in the fourth quarter. This was still enough to allow the Federal Reserve Bank (Fed) to lower the range for its overnight fed funds target, which ended the year at 4.25% to 4.50% after starting the year one percentage point higher. Despite the Fed's reduction in short-term interest rates, U.S. long-term Treasury yields (TY) moved higher for the year.

Just 3 of 11 S&P 500 GICS sectors traded higher in December – Communication Services, Consumer Discretionary, and Technology, commonly described as "growth" sectors – as investor support waned except for a narrow group of leaders. For the year, 10 of the 11 sectors posted gains, but those same three sectors, along with Financials, were the only groups to exceed the annual price returns of the S&P 500 index.



Data Source: FactSet, as of 12/31/24. S&P 500 Daily Closing Prices, 12/31/23 to 12/31/24 (green) and 11/30/24 to 12/31/24 (gray).

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Investor sentiment is high entering 2025 as several of the 2024 positive trends that remain in place were bolstered by November election results, which ignited pro-growth policy expectations. This sets up conditions for equity prices to move higher if the U.S. economy sustains growth above +2% and corporate earnings (the S&P 500 index) grow above +10%. At the same time, optimism is high and valuations remain elevated, creating potential for disappointment and market volatility. We look for solid trends in consumer spending and business investment (the two largest drivers of U.S. economic growth) to sustain this momentum, but both could encounter headwinds that would disrupt investor expectations. Jobs growth is expected to moderate, slowing aggregate spending, and we believe that investment spending to support generative artificial intelligence (GenAI) could peak and begin to slow. We look for equity market returns to moderate (i.e., investors should scale back return expectations) but with broader sector participation, benefitting diversified portfolios. While valuations matter (the price-to-earnings, P/E, multiple on the S&P 500 is significantly above long-term averages), it usually takes more than high valuations to derail a bull market. That is often predicated by earnings erosion or a credit contraction brought on by recession. We don't see weak economic conditions forming as 2025 begins, creating a path for equities to deliver gains. But we should expect volatility and recognize that equity market corrections are common. We continue to recommend broad sector diversification and frequent portfolio rebalancing. Here is a link to our comprehensive 2025 Market Outlook, It's All Fun & Games Until Someone Gets Hurt, but we have a condensed version of that outlook below.

1. Our S&P 500 fair value estimate is 6,300 and we see a potential 2025 range of 5,200 to 6,800.
2. Second-half 2024 sector rotation can continue, leading to improved relative performance from the "average" stock.
3. The second Trump Administration is good for growth but beware of tariffs and immigration battles.
4. The Fed is likely to follow a pause, pause, cut policy as sticky inflation keeps interest rates elevated.
5. For those approaching the 'Wall of Worry,' there is no shortage of risks.

Our S&P 500 fair value estimate is 6,300 and we see a potential 2025 range of 5,200 to 6,800. We have moved our fair value estimate higher since our last Market Outlook in October as we look ahead to year-end 2025, and also acknowledge stronger earnings and GDP trends. In addition, our market range is very wide as we 1) see the potential for a more substantial market correction in 2025 after two years of low volatility, and 2) also believe that companies could deliver double-digit percentage earnings growth in 2025, keeping investor sentiment in an upward trend, driving the S&P 500 modestly higher. Our fair value estimate of 6,300 incorporates S&P 500 consensus earnings estimates for 2025 and 2026 that reflect growth of +15% and +13%, respectively (following 2024 expected growth of +10% with fourth quarter, 4Q24, results still pending). Our fair value estimate of 6,300 is +7% above the S&P 500 closing price (12/31/24) of 5,881 and, along with an estimated dividend yield of 1.3%, reflects a total return above +8%. Our upside range of 6,800 is +15% above year-end index levels, while the downside of 5,200 represents a -12% decline. Over the past 45 years (1980 to 2024), the average calendar year peak-to-trough decline for the S&P 500 was -14.1%, and since 2009 (the past 16 years), the average peak-to-trough decline was -13.8%.

Second-half 2024 sector rotation can continue, leading to improved relative performance from the "average" stock. The 2024 S&P 500 price return (not including dividends) of +23.3% was significantly above the +10.9% increase for the Equal Weight S&P 500 (EWSP), an indication that the largest companies in the S&P 500 delivered stronger returns. We estimate that the ten largest S&P 500 constituents by market capitalization comprised more than 35% of the weight of the index, and from that group, the "Magnificent 7" (Mag 7) stocks produced an average 2024 gain of +60%. Based on each stock's weighting in the S&P 500, the Mag 7 contributed more than 50% of the index's total return for the year. The 2024 leading relative performance of the larger companies in the index was a repeat of 2023 when the S&P 500 gained +24.2% vs. +11.6% for the EWSP. The EWSP assigns an equal weighting to all 500+ companies in the index and, in our view, gives the best look at the performance of the "average" large-company stock. In recent years, the S&P 500 is increasingly concentrated in favor of the largest companies, which has driven strong gains in recent periods. However, concentrated gains lead to higher levels of risk, which may not be fully acknowledged by investors. In the second half of 2024 (6/30/24 to 12/31/24), the EWSP increased +6.6% vs. +7.7% for the S&P 500. Through November, the EWSP was well-above the broad index, but that outperformance eroded in December. Given our view of slowing, but solid, economic growth in 2025 and a continuation of the sector rotation underway in the second half of 2024, we look for improved performance of the average stock in 2025.

The second Trump Administration is good for growth but beware of tariffs and immigration battles. Equity and bond prices surged following Donald Trump's election victory in November. Although hardly an underdog due to leading in many pre-election polls, Trump version 2 (Trump 2) nonetheless completed an impressive comeback since leaving office in 2021 with many question marks. Election results also delivered a "red wave" as Republicans flipped control of the U.S. Senate and held on to a narrow majority in the House of Representatives. The S&P 500 equity index rallied +4.3% from Election Day through the end of November and gained +5.7% for the full month of November. This was reminiscent of President Trump's 2016 election win, when the index gained +3.4% in November. In this year's November rally, all 11 S&P 500 industry sectors traded higher, reflecting broad participation and surging investor sentiment. In other indices, the Russell 2000 index, a composite representing small-company stocks, increased +10.8% for the month. We attributed the bullish sentiment to potential economic stimulus provided by campaign promises of lower regulation, smaller government, and lower taxes. As of 12/31/24, the consensus estimate for 2025 U.S. GDP growth was +2.1%, up from +1.8% at the end of October after an upward revision. However, in our view, investors should consider risks to the U.S. economic outlook from potential Trump 2 global tariffs and labor disruptions caused by deportations. These policies could accelerate the slowdown in jobs growth and could also add to inflation in the form of elevated wage pressure and higher prices (inflation) to offset the impact of tariffs. Perhaps other policies (previously discussed, lower regulation and taxes) can offset these labor forces, but we see emerging risks to the outlook for sustained jobs growth.

The Fed is likely to follow a pause, pause, cut policy as sticky inflation keeps interest rates elevated. When the Federal Reserve Bank (Fed) lowered its overnight bank lending fed funds interest rate target by -0.25% to a new range of 4.25% to 4.50% on 12/18/24, it also said that recent inflation trends were higher than it expected a few months ago, and that the potential inflationary impact of President Trump's policies in 2025 are an added risk that could keep inflation higher for longer. This led to equity market weakness as investors assessed the impact of interest rates remaining elevated in 2025. In September, the Fed said it was more concerned with slowing jobs growth and less concerned about inflation, but that view may have shifted in December due to solid GDP growth and sticky inflation. The Fed has a +2.0% target for consumer inflation and the consumer price index (CPI) stalled near +3.0% in the fourth quarter. For that reason, the Fed is unlikely to aggressively lower its fed funds target from current levels, at least until inflation data resumes lower for more than a couple months. With eight

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Fed policy meetings scheduled in 2025, it is possible there could be only two additional -0.25% rate cuts, which means six meetings could end with no change to the rate policy. This would take the year-end 2025 fed funds range to 3.75% to 4.00%.

For those approaching the 'Wall of Worry,' there is no shortage of risks. After two years of strong equity market gains, many expect the bull market to continue, but as is usually the case when looking ahead, we see risks that could derail the rally or at least constrain upside from current levels. This includes the potential for consumer spending to ease if jobs growth disappoints or if rising consumer debt levels lead to more delinquencies. Consumer spending is also vulnerable to a return of inflation that could erode purchasing power. In addition, as the U.S. government continues to run high deficits, the national debt has increased and interest expense on that debt continues to grow, creating budget challenges for Congress as they pass spending bills and tax legislation. Finally, the S&P 500 index has completed two years of very strong market gains, extending a bull market. Historically, in the third year of a bull market, investors should expect more modest returns.

S&P 500 Sector Recommendations - December 2024

GICS Sector	S&P 500 Weight by Market Cap	WM Research 2025 Outlook	Notes (reflect current expectations and are subject to change)	Change
Technology	32.4%	marketweight	keep exposure to this sector as earnings growth remains above average	
Financials	13.3%	overweight	solid earnings growth outlook boosted by lower regulations and tax rates	marketweight
Consumer Discretionary	11.7%	marketweight	after strong Q4, expect consolidation on tariff concerns, but service sector looks good	
Health Care	9.9%	marketweight	earnings growth favorable, recent weakness from political pressure creates opportunity	
Communications Services	9.5%	overweight	one of the best earnings growth profiles, and less exposed to tariff risks	marketweight
Industrials	8.2%	overweight	positioned to benefit from pro-growth agenda if GDP remains strong	
Consumer Staples	5.6%	underweight	elevated valuations and exposure to tariffs and health concerns	marketweight
Energy	3.1%	underweight	low energy prices could constrain profits, but electricity demand needs natural gas	marketweight
Utilities	2.3%	marketweight	benefits from energy infrastructure demand, but valuations again elevated	
Real Estate (REITs)	2.1%	underweight	remain selective as higher interest rates a concern, stick with earnings leaders	
Materials	1.9%	marketweight	weak global growth and tariff risk to create challenges	overweight

Data Source: D.A. Davidson Wealth Management Research, as of 12/20/24. Changes compared to July 2024.

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Market Indices: The information on indices is presented for illustrative purposes only and is not intended to imply the potential performance of any fund or investment. Indices provide a general source of information on how various market segments and types of investments have performed in the past. Index performance assumes the reinvestment of all distributions, but does not assume any transaction costs, taxes, management fees, or other expenses. You may not invest directly in an index. Past performance is not an indicator of future results. The S&P 500 Index is a market cap weighted index that is designed to measure the US large-cap equity performance. The index is composed of the 500 leading publicly traded US companies based on size, liquidity, industry, and profitability criteria. The Dow Jones Industrial Average is a price weighted index that tracks 30 large, publicly owned companies trading on the New York Stock Exchange (NYSE) and the NASDAQ. The NASDAQ Composite Index measures all NASDAQ domestic and international based common type stocks listed on The NASDAQ Stock Market. Today the NASDAQ Composite includes over 3,000 companies. The Russell 2000® Index is a market cap weighted index that measures the performance of the 2,000 smallest companies in the Russell 3000® Index. The MSCI EAFE® Index (Europe, Austral, Asia, Far East) is a free float-adjusted market capitalization index that is designed to measure developed market equity performance, excluding the US and Canada. The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. Bloomberg Commodity Index (BCOM) is calculated on an excess return basis and reflects commodity futures price movements. The index rebalances annually weighted 2/3 by trading volume and 1/3 by world production and weight-caps are applied at the commodity, sector and group level for diversification. The Bloomberg Barclays U.S. Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market. The Russell 1000 index is a large company index compiled by the FTSE Russell Group and represents the largest 1000 companies (by market capitalization) in the Russell 3000 index. The Russell 1000 Growth index includes the Russell 1000 companies that exhibit relatively higher price-to-book ratios, and higher expected earnings and sales growth. The Russell 1000 Value index includes the Russell 1000 companies that exhibit relatively lower price-to-book ratios and lower than average expected earnings and sales growth.

Other Disclosures:

The forward S&P 500 price-to-earnings ratio (P/E) is a valuation measure, calculated by dividing the price of the S&P 500 index over the weighted average earnings per share (EPS) estimate of each company in the index. Earnings are based on “forward” consensus estimates expected over the next 12 months (NTM), using quarterly analyst estimates as provided by FactSet.

Fair value refers to a valuation method based on our view of the intrinsic value of an asset or index, determined by macroeconomic factors and earnings expectations rather than current market prices. This is our view of intrinsic value as of the date of this report.

Gross domestic product (GDP) refers to the monetary measure of the market value of all final goods and services produced within a country’s borders within a specific time period. Real GDP is adjusted for the impact of inflation. GDP numbers are compiled by the Bureau of Economic Analysis (BEA), a division within the U.S. Department of Commerce. Quarterly GDP is reported as a percentage change from the prior quarter, annualized. The BEA also reports data on a year-over-year percentage change from the same period one year prior. The most recent GDP report can be found at www.bea.gov.

FactSet is a data aggregation software utilized by D.A. Davidson’s Wealth Management Research. The FactSet Consensus refers to the aggregate of all analyst estimates from firms that submit estimates to FactSet for a given financial metric.

The annual price returns of the S&P 500 index are calculated using the index closing value on 12/31 of one year to 12/31 of the next year. 2024 returns are calculated as of the most recent available date in December 2024 (date noted for each table). Intra-year peak-to-trough percentage declines are calculated using the index closing prices from an intra-year high date to a subsequent low date. Closing prices are provided by S&P Global through FactSet. Averages across years are calculated using the arithmetic mean.

S&P 500 earnings growth reflect the year-over-year change in operating earnings on a per share basis. Earnings data are aggregated for all S&P 500 constituents and are measured according to the relative market capitalization weights for each company. Estimated earnings are the combined FactSet estimates of analysts covering each company included in the index.

The Federal Reserve Bank’s Open Market Committee (FOMC) consists of twelve members – the seven members of the Board of Governors of the Federal Reserve System; the president of the Federal Reserve Bank of New York; and four of the remaining eleven Reserve Bank presidents, who serve one-year terms on a rotating basis. The FOMC holds eight regularly scheduled meetings per year. At these meetings, the Committee reviews economic and financial conditions, determines the appropriate stance of monetary policy, and assesses the risks to its long-run goals of price stability and sustainable economic growth.

The Federal Reserve Summary of Economic Projections (SEP) is sourced from federalreserve.gov, as of 12/18/24. Projections of change in real gross domestic product (GDP) and projections for both measures of inflation are percent changes from the fourth quarter of the previous year to the fourth quarter of the year indicated. Projections for the unemployment rate are for the average civilian unemployment rate in the fourth quarter of the year indicated. Each participant’s projections are based on his or her assessment of appropriate monetary policy. The projections for the federal funds rate are the value of the midpoint of the projected appropriate target range for the federal funds rate or the projected appropriate target level for the federal funds rate at the end of the specified calendar year or over the longer run. The Summary of Economic Projections is compiled from Federal Reserve Board members and Federal Reserve Bank presidents.

The term "monetary policy" refers to the actions undertaken by a central bank, such as the Federal Reserve, to influence the availability and cost of money and credit to help promote national economic goals. The Board of Governors of the Federal Reserve System is responsible for the discount rate and reserve requirements, and the Federal Open Market Committee is responsible for open market operations. The Federal

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Reserve influences the demand for, and supply of, balances that depository institutions hold at Federal Reserve banks and, in this way, alters the federal funds rate. The federal funds rate is the interest rate at which depository institutions lend balances at the Federal Reserve to other depository institutions overnight.

The Treasury yield curve displays the market interest rate across different contract lengths for U.S. Treasury bonds, indicating the relationship between the interest rate and the time ("term") to maturity. The yields of the 2-year and 10-year U.S. Treasury bonds are widely followed barometers of the current U.S. interest rate environment. Treasury bond data used in calculating interest rate spreads is obtained directly from the U.S. Treasury Department, through FactSet.

U.S. Personal Consumption Expenditures (PCE) is an indicator of the growth in consumer spending and measures the value of goods and services purchased by persons who reside in the U.S. It is reported monthly by the Bureau of Economic Analysis (BEA). We also track the BEA data on Non-Residential Fixed Investment, as a measure of business investment.

The National Bureau of Economic Research (NBER) is a private non-profit research organization. The NBER is widely used as an organization that analyzes U.S. economic data and the business cycle and determines the start dates and end dates of economic recessions. The NBER defines recession as "a significant decline in economic activity that is spread across the economy and that lasts more than a few months" and also looks at the depth, diffusion, and duration of the downturn.

The consumer price index (CPI) is a measure of average change over time in the prices paid by urban consumers for a market basket of goods and services. It is reported monthly by the U.S. Bureau of Labor Statistics.

PCE inflation is the percentage rates of change in the price index for personal consumption expenditures (PCE). The index is published monthly by the U.S. Bureau of Economic Analysis.

Volatility is how much and how quickly prices move over a given span of time. In the stock market, increased volatility, in the form of rapidly falling prices, is often a sign of rising uncertainty.

The U.S. Census reports annualized monthly data on housing starts, permits, and completions. It is a widely followed measure to track construction activity in the residential housing market. New home sales measures sales of new single-family homes and is a measure of the demand for housing. Home price data is monitored from the S&P CoreLogic Case-Shiller Home Price Index.

We define a bear market as a peak-to-trough decline (using closing prices) of -20% or more. We generally use the S&P 500 index as a proxy for the broad market for large, leading U.S. companies. Similarly, a bull market is declared following a +20% gain from a bear market low.

The Bureau of Labor Statistics (BLS) compiles U.S. labor statistics from two monthly surveys. The household survey measures labor force status by demographics; the establishment survey measures nonfarm employment and data by industry. The nonfarm payrolls component of the establishment survey is drawn from private businesses and government entities. The nonfarm payrolls number is among the most widely used data points to assess U.S. employment trends. The unemployment rate is the percentage of the labor force that is jobless and actively willing and available to work. The BLS also publishes the Job Openings and Labor Turnover Survey (JOLTS) which measures job openings, hires, and separations from a monthly survey of U.S. business establishments.

Personal Income and Savings is reported monthly by the Bureau of Economic Analysis for individuals and is defined as personal income less personal outlays and taxes. The personal savings rate is personal savings as a percentage of disposable personal income.

The Global Industry Classification Standard (GICS) is a four-tiered, hierarchical industry classification system. Companies are classified quantitatively and qualitatively. Each company is assigned a single GICS classification at the Sub-Industry level according to its principal business activity. MSCI and S&P Dow Jones Indices use revenues as a key factor in determining a firm's principal business activity. The 11 sectors are: Communication Services, Consumer Discretionary, Consumer Staples, Energy, Financials, Health Care, Industrials, Information Technology, Materials, Real Estate, and Utilities.

The CME FedWatch Tool is published by the CME Group. CME analyzes the probability of FOMC rate moves for upcoming meetings. It uses 30-day fed funds futures prices as a tool calculate market views (probabilities) on the likelihood of changes in Fed rate policy.

U.S. monthly receipts, outlays, deficit, or surplus are reported by the U.S. Treasury at fiscal.treasury.gov. Supporting data is also available from the Congressional Budget Office (CBO).

We track a measure of wages, average hourly earnings (AHE) of all private employees, which is calculated and reported on a monthly basis by the U.S. Bureau of Labor Statistics. The data measures average hourly earnings of all private employees on a "gross" basis (includes overtime and late-shift work but excludes benefits).

2024 Election Day was 11/5/24. On the national level, voters selected the next president of the U.S. and state elections determined the party control (Democratic or Republican) of Congress, both the U.S. House of Representatives and the U.S. Senate. Inauguration Day is 1/20/25, and the Republican party will control the Presidency and both chambers of Congress. On the campaign trail, President-elect Trump had promised the use of widespread (global) tariffs to counter tariffs on U.S. goods in other countries, as well as to incentivize more U.S. manufacturing. In addition, Trump intends to limit illegal immigration and asylum seekers and to deport immigrants that did not use proper channels. The impact this may have on the U.S. labor market is uncertain.

Generative artificial intelligence (GenAI): We think of artificial intelligence as using advanced computers to process large amounts of data to ultimately approach human problem-solving and decision-making. While still predictive models, generative AI can give detailed responses much better than a search engine, which does a good job of telling the user where to go to find additional information. As generative AI systems access more data, they become larger and learn to make better decisions. At each iteration, the system gains knowledge, enhancing its predictive (reliable) capabilities and ability to produce original content. Generative AI systems become more robust as they are used as all new data can be trained into the system, creating new challenges and opportunities.

The U.S. Tax Cuts and Jobs Act was signed into law by President Trump on 1/1/18.

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The term "Magnificent 7" was first used in early 2023 by Bank of America. It referred to seven publicly traded stocks that, at the time, were the most highly valued companies in the S&P 500 index ranked by equity market value. The seven stocks were: Apple, Microsoft, Alphabet, Amazon, Nvidia, Meta, and Tesla.

Household Debt, from the U.S. Federal Reserve Bank of New York (FRBNY), is the combined debt of all people in a household, including consumer debt and mortgage loans. Household Debt Service Ratio is the total required debt payment per period divided by total disposable income. Seasonally adjusted (SA) is used to normalize data by adjusting for seasonal changes in business and economic data for a more accurate comparison between different time periods. The most recent report can be found at newyorkfed.org/microeconomics/hhdc

According to the U.S. Treasury, the U.S. Total Debt is gross federal debt representing all outstanding borrowing. Debt Held by the Public is what the U.S. Treasury has borrowed from outside investors (individuals, businesses, other institutions, state and local governments, and foreign entities) and excludes borrowings from other agencies within the federal government.

The term "wall of worry" has been used for decades to signify a market that trades higher despite the presence of negative news. It refers to investor behavior as equity investors always face some level of risk even when markets rally.